

§ 2506.9

§ 2506.9 How can I resolve the Corporation's claim through a voluntary repayment agreement?

In response to a notice of a debt owed to the Corporation, you may propose to the Corporation you be allowed to repay a debt through a voluntary payment agreement in lieu of the Corporation taking other collection actions under this part.

(a) Your request to enter into a voluntary repayment must:

(1) Admit the existence of the debt; and

(2) Either propose payment of the debt (together with interest, penalties, and administrative costs) in a lump sum, or set forth a proposed repayment schedule.

(b) The Corporation will consider a request to enter into a voluntary repayment agreement consistent with the standards in 4 CFR 102.11. The Chief Executive Officer may request additional information from you in order to make a determination of whether to accept a voluntary repayment agreement, including requesting financial statements if you request to make payments in installments. It is within the Chief Executive Officer's discretion to accept a repayment agreement instead of proceeding with other debt collection actions under this part, and to set the necessary terms of any voluntary repayment agreement. At the Corporation's option, you may be required to enter into a confess-judgment note or bond of indemnity with surety as part of an agreement to make payments in installments. Notwithstanding the provisions of this section, any reduction or compromise of a claim will be governed by 31 U.S.C. 3711.

§ 2506.10 How will the Corporation use credit reporting agencies to collect its claims?

(a) The Corporation may report delinquent debts to appropriate credit reporting agencies by providing the following information:

(1) A statement that the debt is valid and is overdue;

(2) The name, address, taxpayer identification number, and any other information necessary to establish the identity of the debtor;

45 CFR Ch. XXV (10–1–02 Edition)

(3) The amount, status, and history of the debt; and

(4) The program or pertinent activity under which the debt arose.

(b) Before disclosing debt information to a credit reporting agency, the Corporation will:

(1) Take reasonable action to locate the debtor if a current address is not available; and

(2) If a current address is available, provide the notice required under § 2506.6.

(c) At the time debt information is submitted to a credit reporting agency, the Corporation will provide a written statement to the reporting agency that all required actions have been taken. In addition, the Corporation will, thereafter, ensure that the credit reporting agency is promptly informed of any substantive change in the conditions or amount of the debt, and promptly verify or correct information relevant to the claim.

(d) If a debtor disputes the validity of the debt, the credit reporting agency will refer the matter to the appropriate Corporation official. The credit reporting agency will exclude the debt from its reports until the Corporation certifies in writing that the debt is valid.

§ 2506.11 How will the Corporation contract for collection services?

The Corporation will use the services of a private collection contractor where it determines that such use is in the best interest of the Corporation. When the Corporation determines that there is a need to contract for collection services, it will—

(a) Retain sole authority to:

(1) Resolve any dispute with the debtor regarding the validity of the debt;

(2) Compromise the debt;

(3) Suspend or terminate collection action;

(4) Refer the debt to the DOJ for litigation; and

(5) Take any other action under this part which does not result in full collection of the debt;

(b) Require the contractor to comply with the Privacy Act of 1974, as amended, to the extent specified in 5 U.S.C. 552a(m), with applicable Federal and

State laws pertaining to debt collection practices (e.g., the Fair Debt Collection Practices Act (15 U.S.C. 1692–1692o)), and with applicable regulations of the Corporation in this chapter;

(c) Require the contractor to account accurately and fully for all amounts collected; and

(d) Require the contractor to provide to the Corporation, upon request, all data and reports contained in its files relating to its collection actions on a debt.

§ 2506.12 When will the Corporation refer claims to the DOJ?

The Chief Executive Officer will refer to the DOJ for litigation all claims on which aggressive collection actions have been taken but which could not be collected, compromised, suspended, or terminated. Referrals will be made as early as possible, consistent with aggressive Corporation collection action, and within the period for bringing a timely suit against the debtor.

§ 2506.13 Will the Corporation use a cross-servicing agreement with the Treasury to collect its claims?

Yes. The Corporation will enter into a cross-servicing agreement with the Treasury which will authorize the Treasury to take all of the debt collection actions described in this part. These debt collection services will be provided to the Corporation in accordance with 31 U.S.C. Chapter 37.

Subpart B—Salary Offset

§ 2506.20 What debts are included or excluded from coverage of these regulations on salary offset?

(a) The regulations in this subpart provide Corporation procedures for the collection by salary offset of a federal employee's pay to satisfy certain debts owed to the Corporation or to other federal agencies.

(b) The regulations in this subpart apply to collections by the Chief Executive Officer, from:

(1) Federal employees who owe debts to the Corporation; and

(2) Employees of the Corporation who owe debts to other federal agencies.

(c) The regulations in subpart A and this subpart do not apply to debts arising

under the Internal Revenue Code of 1986, as amended (title 26, United States Code); the Social Security Act (42 U.S.C. 301 et seq.); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108).

(d) Nothing in the regulations in this subpart precludes the compromise, suspension, or termination of collection actions under the standards implementing the Federal Claims Collection Act (31 U.S.C. 3711 et seq., 4 CFR parts 101–105, 38 CFR 1.900–1.994).

(e) A levy pursuant to the Internal Revenue Code takes precedence over a salary offset under this subpart, as provided in 5 U.S.C. 5514(d).

(f) This subpart does not apply to any adjustment to pay arising out of an employee's election of coverage or a change in coverage under a Federal benefits program requiring periodic deductions from pay, if the amount to be recovered was accumulated over four or fewer pay periods.

§ 2506.21 May I ask the Corporation to waive an overpayment that would otherwise be collected by offsetting my salary as a federal employee?

Yes, the regulations in this subpart do not preclude an employee from requesting waiver of an overpayment under 5 U.S.C. 5584 or 8346(b), 10 U.S.C. 2774, 32 U.S.C. 716, or under other statutory provisions pertaining to the particular debts being collected.

§ 2506.22 What are the Corporation's procedures for salary offset?

(a) The Corporation will coordinate salary deductions under this subpart as appropriate.

(b) The Corporation's payroll office will determine the amount of an employee's disposable pay and will implement the salary offset.

(c) Deductions will begin within three official pay periods following receipt by the Corporation's payroll office of certification of debt from the creditor agency.

(d) Types of collection—